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Soviets still spending high on defense

CIA says Kremlin budget exceeds U.S., but that its war technology still lags

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Washington

Heavy Soviet spending on defense has impeded balanced development of the Soviet economy, according to testimony of the U.S. Central Intelligence Agency.

But, the CIA concludes, while the cost of the defense effort has undoubtedly been a matter of concern and debate within the Russian leadership, it is not likely to prevent the long-term growth of Soviet defense spending.

"It is ... clear that the Soviets are far more willing than we had thought to forgo growth in the civilian sector (and consumer satisfaction) in favor of expanding military capabilities," says the CIA.

But the intelligence agency adds that despite their willingness to spend, the Soviets are still far behind the United States in military technology.

Defense spending is expected to be a key issue in the Wednesday foreign policy debate between President Ford and Jimmy Carter, with Mr. Carter advocating cuts in the American defense budget. The CIA testimony, dealing with the allocation of resources in both the Soviet Union and China, was made before a Senate subcommittee last May and June but was released only this week.

According to the CIA testimony, Soviet defense spending, when estimated in dollars, was about 42 percent higher than the U.S. outlay for defense in 1975. When estimated in rubles, it was about 29 percent higher than U.S. defense spending.

But CIA Director George Bush testified at the same time that, "Generally speaking, the U.S.S.R. lags far behind the U.S. in the design and production of advanced electronics components and computers and in some aspects of

missile propulsion and guidance technology. They also lag in the area of advanced machine tools for producing advanced weapons."

Sen. William Proxmire (D) of Wisconsin, chairman of the subcommittee on priorities and economy in government, concluded on the basis of the testimony from both the CIA and Defense Intelligence Agency that "the outstanding features of the Soviet economy are that it is not self-sufficient, but is dependent upon imports for the most basic commodity, food, and that it lags behind the U.S. in technology, especially in the area of military technology."

Growth rate imperiled?

According to the CIA, "If the Kremlin continues to allocate as great a share of GNP to defense programs as it does now, it will be hard-pressed to sustain the 4.5 percent average GNP growth rate achieved over the past decade."

Mr. Bush told the subcommittee, "We are getting reports of food shortages, particularly in meat, as well as stories of work slowdowns and vandalism in the markets, as the people vent their ire."

"One can see many signs that the Soviet economy has entered a period of slower growth, at a time when all major sectors, defense, industrial growth and consumption, are demanding increases."

The intelligence experts estimated the Soviets will have to import from 10 million to 20 million tons of grain a year for the next five years.

In the area of civil defense, Senator Proxmire asked Mr. Bush to comment on reports of an alarming buildup in the Soviets' civil defense capabilities. Mr. Bush said that since 1972 there have been "no radical changes" in the Soviet civil defense program which the CIA could observe.